

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
March 18, 2003
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on March 18, 2003 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Elzie Higginbottom and Members Violet Clark and Gary Peterlin. Members Ira Rogal and William Dugan were not present.

Chairman Higginbottom convened the March 18, 2003 Regular Meeting at 9:35 A.M. in the 3rd floor Board Conference Room. Member Peterlin moved that **pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, the Board retire to Closed Session to discuss the items listed under Closed Session on today's (March 18, 2003) agenda and relating to the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Clark seconded the motion. The Board adopted the motion by unanimous consent and retired to closed session.

The Board convened its Open Session at 1:55 P.M.

Approval of Minutes

Member Clark moved that **the Board approve the closed session minutes of the Illinois Gaming Board's Regular Meeting of January 21, 2003, and the open session minutes of its Regular Meetings of January 21, 2003 and February 25, 2003.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Chairman's Report

Chairman Higginbottom updated the public on the status of Emerald Casino. Chairman Higginbottom stated that the Board continues to make progress in its efforts to resolve the issues with Emerald Casino. Chairman Higginbottom stated that Staff and himself have been meeting with representatives of Emerald, the Village of Rosemont, the creditors committee and the Governor's Office to try and resolve all of the complicated legal issues. Chairman

Higginbottom stated that it would take a little time before the Board is ready to move to another step in the process. Chairman Higginbottom stated that the Board is committed to a fair, open and competitive process. Chairman Higginbottom stated that Emerald agreed to a settlement agreement and that the Board is doing everything possible to ensure that Emerald and the Board adhere to the settlement agreement.

Chairman Higginbottom announced that the Board's proposed ticket vouchering rule has been filed with the Secretary of State's Office for publication in the Illinois Register. Chairman Higginbottom stated that this is another necessary step in the formal rule-making process to bring the new technology to Illinois. Chairman Higginbottom stated that as the process continues to move along, Staff would be making changes to the internal controls to reflect the proposed rules and to address some of the more technical issues that have been raised as a result of previous public comment. Chairman Higginbottom thanked members of the public and the owners and suppliers licensees for providing their comments to Staff to help finalize the proposed rule.

Chairman Higginbottom announced that last week Hollywood Casino was compelled to file a trespassing charge against a person who is enrolled in the Board's voluntary self-exclusion program. Chairman Higginbottom stated that the person was charged after she was discovered in the casino for a second time in less than a week. Chairman Higginbottom congratulated Hollywood Casino's security staff as well as the Illinois Gaming Board agents for detecting the self-excluded person. Chairman Higginbottom stated that this incident reflects the Board's commitment to its self-exclusion program. Chairman Higginbottom stated that he has directed Staff to look into the Board's options regarding what the Board could do to prevent self-excluded people from entering the casinos.

Administrator's Report

Administrator Parenti announced that there would be a General Manager's meeting sometime in mid to late April. Administrator Parenti stated that Staff would be discussing Coast Guard regulations, implementing internal controls on the ticket in/ticket out rules, implementing internal controls on self-exclusion rule, and affirmative action plans.

Jeannette Tamayo, Deputy Chief Legal Counsel, briefed the public on the acquisition of the Bud Jones Company by Paul-Son Gaming Supplies, Inc. Ms. Tamayo stated that on December 31, 2002, Paul-Son Gaming Supplies, which is a licensed Illinois supplier, acquired the Bud Jones Company through a merger and acquisition agreement. Ms. Tamayo stated that pursuant to the terms of that agreement, the Bud Jones Company ceased to exist and Paul-Son Gaming Supplies, Inc. became the surviving corporation. Ms. Tamayo stated that as of January 31, 2003, there were two licenses: (1) Paul-Son Gaming Supplies, Inc. and (2) The Bud Jones Company. Ms. Tamayo stated that since the Bud Jones Company no longer exists, and Illinois' licensees – owners nor suppliers - can not transfer their licenses, the suppliers license issued to the Bud Jones Company on March 27, 2002 is no longer effective. Ms. Tamayo stated that the Paul-Son Gaming Supplies, Inc.'s suppliers license,

which was issued on July 18, 2000, remains in effect. Ms. Tamayo stated that the Board's records would be changed to reflect that only one of the two entities has a license.

Public Commentary

Wayne T. Burdick, President, The Outreach Foundation, was present to update the Board on the Outreach Foundation's recent accomplishments. Mr. Burdick stated that the Outreach Foundation has been successful in reaching the inner-city areas. Mr. Burdick announced that the Outreach Foundation is having its first gala awards dinner. Mr. Burdick stated that the purpose of the dinner is to honor different people from the industry, government, and different sectors and to share what is going on in the industry. Mr. Burdick announced that Staff members, Jeannette Tamayo and Gene O'Shea would be honored for their hard work with the self-exclusion program. Mr. Burdick stated that the Outreach Foundation provided workshops at the Illinois Casino Gaming Association's Illinois Counsel on Compulsive Gambling. Mr. Burdick stated that as of July 1, 2003, there would be no money in the State budget for gambling treatment or awareness. Mr. Burdick urged the Board to use any influence that it may have to help generate money for the Outreach Foundation. Mr. Burdick thanked the Illinois Casino Gaming Association for distributing the Outreach Foundation's informational brochure on compulsive gambling.

Member Peterlin thanked Mr. Burdick for all of his hard work and encouraged Mr. Burdick to make the Outreach Foundation's informational brochure available to the various circuits, the probation departments throughout the State, and the State's Attorneys. Member Peterlin stated that if people are charged with a crime because of a gambling habit, it would be good for those circuits to know about the outreach programs.

Mr. Burdick stated that the Outreach Foundation is reaching out to the probation officers so that they know what to screen for – not just alcohol and drugs but also gambling.

Tom Swoik, Executive Director, Illinois Casino Gaming Association (ICGA), was present to discuss the widely respected academic and government figures that demonstrated through reliable evidence that addiction, bankruptcy, and crimes do not increase with the presence of casino gaming. Mr. Swoik provided the Board with a report that referenced over 21 different studies that have been conducted that help prove that crimes do not increase with the presence of casino gaming. Mr. Swoik briefed the Board on the statistics from the report, which referenced casino gambling and addiction; casino gambling and bankruptcy; and casino gambling and crime. Mr. Swoik stated that the casino industry in Illinois is proud of the fact that it has funded different types of activities related to responsible gaming. Mr. Swoik stated that the Illinois Casino Gaming Association funds the Illinois Hotline for Compulsive Gambling, the Illinois Counsel on Casino Gaming, and The Outreach Foundation. Mr. Swoik stated that ICGA has various programs for compulsive gambling at each of its casinos. Mr. Swoik stated that ICGA intends to continue to provide that type of support.

Owner Licensee Items

HARRAH'S CASINO, JOLIET – MARK E. BAILEY, IT MANAGER – LEVEL ONE – Michael St. Pierre, General Manager, was present on behalf of Mark E. Bailey to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Peterlin moved that **the Board approve Mark E. Bailey as a Level 1 Occupational Licensee of Des Plaines Development Limited Partnership d/b/a Harrah's Casino Cruises Joliet.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

GRAND VICTORIA CASINO – ANTHONY J. GUSTAFSON, MIS MANAGER – LEVEL ONE- Donna More, Attorney, was present on behalf of Anthony J. Gustafson to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Clark moved that **the Board approve Anthony J. Gustafson as a Level 1 Occupational Licensee of Elgin Riverboat Resort d/b/a Grand Victoria Casino.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

GRAND VICTORIA CASINO – ARNOLD R. WEBER, CO-TRUSTEE PRITZKER FAMILY TRUSTS – KEY PERSON – Donna More, Attorney, was present on behalf of Arnold R. Weber, to request approval as a Key Person.

Based on a review of the staff's investigation and recommendation, Member Peterlin moved that **the Board approve Arnold R. Weber as a Key Person of Elgin Riverboat Resort d/b/a Grand Victoria Casino.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

Supplier Licensee Items

WMS GAMING, INC. – LICENSE RENEWAL – Donna More, Attorney, was present on behalf of WMS Gaming, Inc. to request approval for license renewal.

Based on a review of the staff's investigation and recommendation, Member Peterlin moved that **the Board approve the Supplier's license of WMS Gaming, Inc. for a term of 4 years expiring March 2007 and approve WMS Gaming, Inc. to provide Electronic Gaming Devices pursuant to the requirements set out in the Board's Adopted Rules.**

Further, based on the staff's investigation and recommendation, Member Peterlin moved that **the Board certify and approve the following positions, entities, and persons as Key Persons of the licensee:**

1. **Chief Executive Officer;**
2. **Chief Operating Officer;**
3. **WMS Industries, Inc.;**
4. **WMS Games, Inc;**
5. **National Amusements, Inc.;**
6. **Brian Gamache;**
7. **Orrin J. Edidin;**
8. **Louis J. Nicastro; and**
9. **Sumner M. Redstone.**

Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Based on staff's investigation and recommendation, Member Clark moved that **the Board approve 80 applications for an Occupational License Level 2 and 166 applications for an Occupational License Level 3.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Proposed Complaints and Disciplinary Actions

IN RE: THE DISCIPLINARY ACTION OF EMMANUEL VASQUEZ – Based on the staff's investigation and recommendation, Member Peterlin moved that **the Board issue a Disciplinary Complaint against Emmanuel Vasquez, a Level 3 Occupational Licensee, for failing to comply with the Act and Board Rules in relation to his confession of stealing money from his employer, Hollywood Casino-Aurora.**

Member Peterlin further moved that **the Board revoke Mr. Vasquez's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

IN RE: THE DISCIPLINARY ACTION OF MICHAEL JOHN BERGER - Based on the staff's investigation and recommendation, Member Clark moved that **the Board issue a Disciplinary Complaint against Michael J. Berger, a Level 3 Occupational Licensee, for failing to comply with the Act and Board Rules in relation to his confession of stealing money from his employer, Par-A-Dice Casino.**

Member Clark further moved that **the Board revoke Mr. Berger's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

At 2:30 P.M., Member Clark moved to adjourn. Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,
Monica Thomas

Secretary to the Board